

DECLARATION OF SUPERVISOR

“I admitted had read this research project and in my opinion
this research project had achieved in term of scope and quality for awarded
of Bachelor of Technopreneurship with Honours”.

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**SUCCESS FACTORS OF WOMEN ENTREPRENEURS
IN BUSINESS**

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**A research project submitted in fulfilment of the requirements for the
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DECLARATION

“I declare that this research project ‘SUCESS FACTORS OF WOMEN ENTREPRENEURS IN BUSINESS’ is the result of my own research except as cited in the references”.

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Date :

*Especially dedicated to my family, friends and companion for the endless support
and understanding*

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ABSTRACT

Entrepreneurship is one of the main important drivers in a market nation. There is a lot of competition in the business involving entrepreneurs. In fact, nowadays there are many women entrepreneurs involving and become more successful in the business arena as an entrepreneurship. And now women entrepreneurs have contribute important roles of business. Although women entrepreneurs are highlighted as have significance contribution toward the nation. They are also able to be involved in various fields of involving male entrepreneurs because of their confidence and their interest in this field. Other than that, networks affiliation, education, training and counseling, and usage of ICT are important factors influencing the growth of women entrepreneur in Malaysia. This research will be done by using qualitative and quantitative methods to get more information from women entrepreneurs. I will aim at women entrepreneurs in Malacca and Johor. By using these mixture methods, they are able to share more information and experience as an entrepreneur. This study also will briefly formulate to make the women entrepreneurs become more competitive in the current environment of business marketplace.

Keywords: women entrepreneur, entrepreneurships, success factors

ABSTRAK

Keusahawanan merupakan salah satu daripada pemacu utama yang penting dalam sebuah pasaran negara. Terdapat banyak persaingan dalam perniagaan yang melibatkan usahawan. Malah, pada masa kini terdapat ramai usahawan wanita yang melibatkan diri dan menjadi lebih berjaya dalam arena perniagaan sebagai usahawan. Dan kini ini usahawan wanita telah menyumbang peranan penting dalam perniagaan. Walaupun usahawan wanita ditonjolkan sebagai mereka yang mempunyai sumbangan penting kepada negara. Mereka juga mampu untuk terlibat dalam pelbagai bidang yang melibatkan usahawan lelaki kerana keyakinan dan minat mereka dalam bidang ini. Selain daripada itu, hubungan rangkaian, pendidikan, latihan dan kaunseling, dan penggunaan ICT adalah factor penting yang mempengaruhi pertumbuhan usahawan wanita di Malaysia. Kajian ini akan dilakukan dengan menggunakan kaedah kualitatif dan kuantitatif untuk mendapatkan maklumat yang lebih banyak daripada usahawan wanita. Ia akan menyasarkan pada usahawan wanita di Melaka dan Johor. Dengan menggunakan kaedah campuran, mereka akan dapat berkongsi lebih banyak maklumat dan pengalaman mereka sebagai usahawan yang berjaya kini. Kajian ini juga akan merumuskan secara ringkas untuk membuat usahawan wanita menjadi lebih berdaya saing dalam persekitaran pasaran perniagaan semasa.

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CHAPTER 1

INTRODUCTION

1.1 Project Background

This chapter describes a brief background of the research. It will explain about the important of the project, objectives, scope, and project summary. In general, the development of women entrepreneurship is important to the business sector which has been growing rapidly in Malaysia. Many women start their business for many reasons such as to have more flexible lifestyle, control over their lives or to earn money. This research will focus on Malacca and Johor because of the variety of women entrepreneurs that have been established there. Malaysian women entrepreneurs are increasingly recognized to play an important role in the business industry.

The significant importance of women entrepreneurship to the growth of overall Malaysia economy is proved by the variety of initiatives, policies and organization that established for women entrepreneurs such as the Federation of Women Entrepreneurs Association Malaysia, National Association of Women Entrepreneurs of Malaysia (NAWEM), Persatuan Usahawan Wanita Bumiputera (USAHANITA). These are including venture capital, financial funding, training, physical infrastructure such as business consultant, SME, and more to promote and encourage more Malaysian women to become entrepreneurs besides creating a

platform for networking among them. SME has been considered as “the backbone” of Malaysia’s long term industrial development programme (Zain et al, 2012, p.35). SME’s also considered as the mechanism in generating domestic-led investment, stimulating economic expansion and increasing the job market for the country (Normah, 2007, p.2). It is becoming a major economic agenda for the Malaysian government in helping women during their start-up of business.

SMEs in Malaysia represent 99.2% of over half a million business establishments in Malaysia. 80% of these SMEs are micro enterprises (business organizations with less than 5 full time employees and RM200 thousand annual sales turnover), and 86.5% of them are concentrated in the service sector (Bank Negara Malaysia [BNM], 2007a). SMEs contribute 32.2% of Malaysia’s gross domestic product, 56.4% of employment and 19% of total export as of 2005 (BNM, 2007b).

According to research made by Birch (1979), entrepreneurship has been seen as a major source of job-creation and innovation and it is largely for this reason that it has been equated with new venture creation and small business development. Sarri and Trihopoulou (2005) identified that entrepreneurship is a decisive factor in order for today economy of knowledge to attain its competitive and dynamic character. It is the driving force for the achievement of economic development and job creation, contributing at the same time to personal development and effectively dealing with numerous pathogenic social phenomena. In the case of women entrepreneurs of Malaysia, specifically on skills and entrepreneur development, training programs have been established to enable women to improve themselves and take advantage of the opportunities in the job market.

The successful women entrepreneurs have some personality traits which make them become a successful business women. In Malaysian, women have played a very important role in the economic development and stabilize the economy in periods of recession (Ndubisi and Kahraman, 2006; Tan, 1990). Thus, the Malaysian government has been continuously created and developed quality, resilient, and

successful entrepreneurships by cultivate an enterprising culture among Malaysia women. Malaysian government's target to create 4,000 women entrepreneurs among the hardcore poor with a household monthly income of less than RM 440 by 2012 (Jalil, 2010), reflects an urgent need for the development of women entrepreneurship in the micro and small enterprises in the region. These women entrepreneurs are active in a large number of enterprises and make a substantial contribution to national economies (United Nations, 2006); and more so for Malaysian economy because of its increasing number of women-owned businesses in the past three decades (Teo and Chong, 2007).

1.2 Important of the Project

Starting a new firm is a very important decision to an individual, which is become the focal point in the investigation of entrepreneurship regarding individual qualities as an entrepreneur. It has a highly appropriate process for the development and practice of key entrepreneurial behaviors such as opportunity seeking, evaluation and grasping, networking, initiative taking, intuitive decision making, creative problem solving, and thinking and acting strategy.

It is common trend that the number of women entrepreneurs continues to increase steadily worldwide. Even though women entrepreneurs' development is worldwide rising significantly, the research in this area is still lags. Only few research studies have examined women entrepreneurship. According to Brush and Edelman (2000) it just a little research in entrepreneurship has explored only the female population of entrepreneurs. Greene, Hart, Gatewood, Brush and Carter (2003) argued that though global research of female entrepreneurship has taken place for the last 25 years and knowledge has expanded, there are still many questions unanswered garment women entrepreneurs.

Mohamed and Syarisa (2004) acknowledge that women are becoming a very important economic group and therefore more efforts are needed to nurture them in taking up entrepreneurship. Notwithstanding the increasing importance and number of women entrepreneurs, few studies have focused on or included women in their research sample (Baker & Aldrich, 1997).

1.3 Objectives

Nowadays, women entrepreneurs are growth rapidly and it can be seen through the development of business industry.

Research Question:

How women entrepreneurs can thrive in the business industry?

Objectives of this study are:

1. To identify the types and size of business that women entrepreneurs involves.
2. To recognize the personal qualities of women as entrepreneurs.
3. To uncover the factors that motivates women to become an entrepreneur.

1.4 Scope of the study

Scope of this research is directed at the factors that drive the success of women entrepreneurs. It covers the type of business they do, demographic studies, and motivational factors that motivated them. This research study about women entrepreneurs in Malaysia and it was conducted in Malacca and Johor.

1.5 Project Summary

Women entrepreneurs have contribute important role of business nowadays. With the help of various organizations set up by Malaysia added with the establishment of a special organization for women entrepreneurs has helped all women entrepreneurs to move forward in business which is once been monopolized mostly by male entrepreneurs. Many factors have influenced women entrepreneurs before they venture into business. Existence of women as entrepreneurs a little bit give some extent competition in the business industry and show that women are also able to start a business if they have the skills and interest in the field. It includes a variety of factors such as demographic factors such as age, income, work status, and so on. In this research it will have a further study to reveal how women entrepreneurs can thrive in the business industries. It will also highlight factors accounts for the success of women as entrepreneur in Malaysia.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction of Women Entrepreneurship

The discussion about definition of entrepreneur and entrepreneurship still remain in difficulty and challenging (Mitton, 1989). Entrepreneur is an innovator or developer who organizes and seizes opportunities and converts these opportunities into workable or marketable idea, values through time, effort, money or skills, assume the risks of the competitive marketplace to implement these idea and realize the rewards from these efforts (Kuratko & Hodgetts, 2004: 729). Emergence of women now as entrepreneurs have shown their ability to be a successful entrepreneur and even being able to bring honor of their name on the world stage.

In Malaysia, these women entrepreneurs are supported by organizations that have long been established. In every success there must be some factors that motivated them to get involved in the field of entrepreneurs. In fact, many factors influence their success either before or during their participation in the industry. Studies involving women entrepreneurs most of them relate either on the reasons that women choose to become entrepreneurs (Butter and Moore, 1999; Lee, 1997; Sarri

& Trihopoulou, 2005) or on the barriers that these women face while attempting to start up business (Brindley, 2005; Menzies et al, 2004). It was found that Malaysian women have been increasingly involved in various enterprises which were formerly male-dominated (Maimunah, 1996a; 1996b).

Various studies have been undertaken on the topic of entrepreneurship and one popular research topic is female entrepreneurship such as studies on factors influencing the performance of women entrepreneurs in Malaysia (Teoh and Chong, 2007) and a much earlier one on need to increase women entrepreneurs participation (Maimunah, 1996). In other studies (Ariffin, 1994; Ong and Sieh, 2003), it is established that Malaysian women entrepreneurs are most likely to be in the service industries, have prior working experience and are small operate with fewer than 20 full-time employees and earning less than RM 100,000 per annum.

According to Nguyen (2005) most women shorts their own business to provide additional flexibility and life balance in managing their traditional responsibilities as wife and primary caretaker of children. Their businesses are mainly funded by personal savings and most are either sole proprietorships or partnerships. They also tend to concentrate on local markets, with less than 10% going international. These findings appear to affirm several widespread and long-term trends in female entrepreneurships.

A study of Nigerian women business owners by Ehigie and Umoren (2003) found that a high self-concept regarding their role in business and commitment to business can help women to become more successful entrepreneurs. This study also reveals that entrepreneurial success depends on psychological factors such as self-concept, managerial competence, work-stress and business commitment. Interestingly, Rogers (1980) and Ross and Lyle (1978) found that women can be successful in any venture if they have a positive frame of mind.

According to Small and Medium Enterprise, a total of 82,911 business establishments were owned by the women entrepreneurs based on the Census of Establishments & Enterprises 2005 by the Department of Statistics Malaysia. Despite the emergence of women as entrepreneurs are still low and did not match the appearance of male entrepreneurs, they are able to be at the same level as male entrepreneurs in the same field.

2.2 Types of business

A business entity is a voluntary association formed and organized to carry on a business in the legal name of the association. In Malaysia, entrepreneur need to register in Company Commissions of Malaysia and the most common types of businesses are sole proprietorships, partnerships, companies, workers co-operatives and franchise. Sole proprietorships are the oldest form of trading and have only one business owner which consist only Malaysian citizens or permanent residents can register. Their personal names or trade names can be used as business names. This is usually a form for small shops and businesses that provide services such as beauticians, hairdressers, photographers, gardeners and so on. To start this kind of businesses, the entrepreneurs need to use their own money to fund the venture.

Partnerships can be an alternative for entrepreneurs if they want to make a business. It consists of two or more partners but not exceeding 20 persons combining their resources in a business with a view to profit. A partnerships agreement is usually drawn up by legal counsel who outlines the responsibilities of each partner, conditions of termination and means of resolving intra-partner disputes. The development of the business now gave an opportunity for women to become successful entrepreneurs through their expertise in a particular field that has become a major factor in their success and increase their confidence to venture into entrepreneurship.

There are various types of business they can do with expertise and interest in the field. Besides, there are many workshops and organizations that are now rapidly established to assist women to become entrepreneurs. Abdul Rashid (1995) finds in his study of 115 successful entrepreneurs that more women enter business at an older age than men, and more women are either divorced or separated. The women are also more highly educated, and found in less diverse industries. Other scholars such as Ong and Sieh (2003) and Sieh (1991) have made a more in-depth examination of the characteristics of Malaysian women entrepreneurs but not included innovation issues in their analysis.

2.3 Success factor that motivating women entrepreneur

According to Paige and Littrell (2002) success is defined by intrinsic criteria include freedom and independence, controlling a person's own future, and being one's own boss. Become a successful women entrepreneur will have their own factors that motivate them to be in the industry until they succeed. Schoenfeldt & Victoria Colligan (Alderton, 2008) found that women look for success for many reasons which are:

- Have more freedom, flexibility, and control over their lives.
- Creativity, passion, and fulfillment.
- Money

2.3.1 Personal Qualities

According to the most important personal qualities required is becoming a successful entrepreneur (Fisher, 1999) has found that five qualities make women unique and can prove very important to their success:

- **Communication skills:** Many women tend to be better than their competitor which is male entrepreneur at articulating their ideas and expressing themselves verbally. They need to improve their ability in communicate with people because when becoming an entrepreneur they will facing a variety of consumer.
- **People skills:** Many women tend to be very effective at reading emotions in the faces of others and in deciphering postures, gestures, and voice inflection. As a result, they are able to interact well with others.
- **Web thinking:** The ability to gather data from the environment and construct intricate relationships between the pieces of information. In contrast, many men tend to compartmentalize information and focus only on what they feel is important.
- **Consensus building:** Successful entrepreneurial women tend to be good negotiators. They view situations in “win-win” terms and seek to create harmonious relationships with the parties involved.
- **The ability to build and nurture good relations:** Maintaining long term client relationships in business often requires the development of friendships and the use of effective networking. Successful women entrepreneurs tend to be very good at these.

Through these personalities, it can be described as their factors influencing their performance. The performance of women entrepreneurs in their businesses has become an important area of recent policy and academic debate. Confidence is a hallmark of the entrepreneur and many confident women gain their sense of self esteem and faith in their ability to greet challenges by acting even they have lack of the confidence. They also gaining strength and belief in themselves by seeing the results.

2.3.2 Supporting Factors

Supporting factors can be an internal or external factors that motivate women entrepreneurs to success in this fields. Internal factors will contain their personal factors which contributed to the critical success factors include their interest, passion towards their entrepreneurial ventures, the desire to develop oneself, being different from others, analysing one's self-weaknesses, building good relationships with employees, customers and suppliers, self confidence, responsible and open minded.

For external factors it will seek through family's emotional or instrumental supports are the crucial success factors for women entrepreneurs that involved the spiritual, mental and physical support and assistance that came from the family members such as husbands, childrens and siblings. Lee and Choo (2001) studied work-family conflict in Singapore found that family members and others can reduce the conflict of women entrepreneurs.

Based on previous studies, (Alam, Jani, & Omar, 2011) family plays an important role in a women's life. Many women entrepreneurs manage their enterprise with support from family and friends, both at start-up and expansions. Most women nowadays do prefer to work as they feel that they should be helping out by bringing in additional income. However, it is necessary to gain full support from their family, because women nowadays are working both houses and also their working place. According to Brindley (2005) the main sources of support and assistance for female entrepreneurs during a start-up phase came from family and friends. Thus, family and close friends play a very important part in ensuring the emotional stability of women entrepreneurs.